

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/1999 forms a part of

policy No. BE 357-43-44 issued to INTEGRATED HEALTH SERVICES OF LESTER

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

UNINTENTIONAL ERRORS OR OMISSIONS ENDORSEMENT

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy provided such failure or any omission is not intentional.

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

62222 (03/95)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/1999 forms a part of

policy No. BE 357-43-44 issued to INTEGRATED HEALTH SERVICES OF LESTER

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

KNOWLEDGE OF OCCURRENCE ENDORSEMENT

As respects any loss reporting requirements under this policy, it is understood and agreed that knowledge of an accident or incident by an agent, servant or employee of yours or any other person shall not in itself constitute knowledge by you, unless a corporate officer of yours shall have received notice from said agent, servant, employee or any other person.

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

62224 (03/95)

ENDORSEMENT

**THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO. 357-43-44 ISSUED TO. INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

FOLLOW-FORM ENDORSEMENT

(CLAIMS MADE VERSION)

PROVIDES CLAIMS MADE COVERAGE - PLEASE READ CAREFULLY

**This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising
Injury arising out of:**

PROFESSIONAL HEALTH CARE LIABILITY

**However, if insurance for a negligent act, error or omission in the performance of the Insured's
professional services as insurance agent or broker is provided by a policy listed in the Schedule of
Underlying Insurance:**

- 1. This exclusion shall not apply;**
- 2. The insurance provided by your policy will follow form to such policy but will not be broader
than the insurance coverage provided by the policy listed in the Schedule of Underlying
insurance; and**
- 3. Solely as respects this endorsement, we will only provide coverage for a claim made against
the Insured during our policy period.**

This follows from endorsement shall be subject to any claims made conditions endorsed to this policy.

All Other Terms And Conditions Of This Policy Remain Unchanged.

62662 (5/95)

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/1999 forms a part of

policy No. BE 357-43-44 issued to INTEGRATED HEALTH SERVICES OF LESTER

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

NAMED PERIL AND TIME ELEMENT POLLUTION ENDORSEMENT
(Defense Expenses Outside S.I.R.)
(Version 4)

Exclusion M of this policy is hereby deleted in its entirety and replaced by the following:

This insurance does not apply to:

1. **Bodily Injury, Property Damage or Personal Injury** arising out of the actual or threatened discharge, dispersal, seepage, migration, release or escape of pollutants anywhere in the world;
2. Any loss, cost or expense arising out of any governmental direction or request that we, the **Insured** or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of pollutants; or
3. Any loss, cost or expense, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize pollutants.

As used in this exclusion, pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

However, this exclusion does not apply to **Bodily Injury, Property Damage or Personal Injury** arising out of:

1. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism or malicious mischief, riot and civil commotion, flood, earthquake, collision or upset of a motor vehicle, mobile equipment or aircraft, automatic sprinkler leakage;
2. **The Products - Completed Operations Hazard**; or
3. Any discharge, dispersal, seepage, migration, release or escape of pollutants that meets all of the following conditions:
 - a. It was accidental and neither expected nor intended by the **Named Insured**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of pollutants was a result of an attempt by the **Insured** to mitigate or avoid a situation where substantial third party **Bodily Injury, Property Damage or Personal Injury** could occur; and
 - b. It was demonstrable as having commenced on a specific date during the term of this policy; and
 - c. Its commencement became known to the **Named Insured** within seven (7) calendar days and was further reported to the Risk Management Department within a reasonable time frame; and
 - d. Its commencement was reported in writing to us within twenty-one (21) calendar days of becoming known to the Risk Management Department; and
 - e. Reasonable effort was expended by the **Named Insured** to terminate the situation as soon as conditions permitted.

However, nothing contained in this provision 3. shall operate to provide any coverage with respect to:

- a. Any site or location principally used by the **Insured**, or by others on the **Insured's** behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material;
- b. Any fines or penalties;

- c. Any clean-up costs ordered by the Superfund Program, or any federal, state or local governmental authority. However, this specific exclusion c. shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
- d. Acid rain;
- e. Clean-up, removal, containment, treatment, detoxification or neutralization of pollutants situated on premises the **Insured** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or
- f. Water pollution caused by oil or its derivatives.

It is further agreed that solely as respects any coverage granted by this endorsement:

1. The Self Insured Retention in Item 3. D. of the Declarations is amended to \$ 1,000,000 ;
2. The Self Insured Retention shall not include "Defense Expenses."

"Defense Expenses" means a payment allocated to a specific loss, claim or suit for its investigation, settlement or defense, including but not limited to:

- a. attorneys' fees and all other investigation, loss adjustment and litigation expenses;
 - b. premiums on bonds to release attachments;
 - c. premiums on appeal bonds required by law to appeal any claim or suit;
 - d. costs taxed against the **Insured** in any claim or suit;
 - e. pre-judgment interest awarded against the **Insured**;
 - f. interest that accrues after entry of judgment;
3. In Section II, Defense, provision A. 2. is hereby deleted in its entirety; and
 4. We will not be obligated to assume charge of the investigation, settlement or defense of any claim made, suit brought or proceeding instituted against the **Insured**. We will, however, have the right and shall be given the opportunity to participate in the defense and trial of any claims, suits or proceedings relative to any **Occurrence** which, in our opinion, may create liability on our part under the terms of this policy. If we exercise such right, we will do so at our own expense.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/99 forms a part of

Policy No: 357-43-44 Issued to: INTEGRATED HEALTH SERVICES OF LESTER

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCESS/UMBRELLA DATE RECOGNITION ENDORSEMENT

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising directly or indirectly out of:

A. Any actual or alleged failure, malfunction or inadequacy of:

1. Any of the following, whether belonging to any Insured or to others:

- a. Computer hardware, including microprocessors;
- b. Computer application software;
- c. Computer operating systems and related software;
- d. Computer networks;
- e. Microprocessors (computer chips) not part of any computer system; or
- f. Any other computerized or electronic equipment or components; or

2. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1. of this endorsement due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

B. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in paragraph A. of this endorsement.

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

70633 (5/98)

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO. 357-4344 ISSUED TO. INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

CLUBS

"Insured" includes any association, club or other organization and employees who are members thereof provided such entity is formed for social or recreational purposes with your knowledge and consent.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO. 357-43-44 ISSUED TO. INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

INTENTIONAL INJURY-AMENDATORY

Exclusion O of the policy is amended as follows:

Bodily Injury or Property Damage expected or intended from the standpoint of the Insured. However, this exclusion does not apply to **Bodily Injury or Property Damage** resulting from the use of reasonable force to protect persons or property.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO: 3574344 ISSUED TO: INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NOTICE OF OCCURRENCE

The Company shall not deny coverage as the result of an unintentional failure to give notice as respects to any occurrence, provided notice is given as soon as practicable after becoming aware that this policy may apply to such occurrence.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO. 357-4344 ISSUED TO. INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXTENDED REPORTING PERIOD OPTION
(CLAIMS MADE ONLY)

1. We will provide an Extended Reporting Period only if the policy is either cancelled or not renewed by the insured or by us for any reason except non-payment of premium. Non-renewal shall mean the refusal by us to renew the policy on any terms. Non-renewal shall not mean change of premium, Retained Amounts, or any other terms and conditions.
2. A Claim first made, in writing, during the Extended Reporting Period will be deemed to have been made on the last day of the policy period, provided that the Claim is for damages because of Personal Damage or Advertising Injury that occurred before the end of the policy period but not before any applicable retroactive date.
3. The Extended Reporting Period will not reinstate or increase the limits of liability or extend the policy period.
4. The Extended Reporting Period will be as set forth below:
 - a. if no other insurance the Insured purchases to replace this policy applies to the Claim or would apply but for the exhaustion of its applicable limits of liability an Extended Reporting Period of 60 days from the end of the policy period will apply. This Extended Reporting Period may not be cancelled and requires no additional premium
 - b. if the Insured makes a written request for an Extended Reporting Period within 30 days after the expiration of the policy period and pays the additional premium within 30 days after said request, we will issue an Extended Reporting Endorsement for a period of twelve (12) months from the end of the policy period.

The Extended Reporting Period Endorsement will not take affect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be cancelled.

The Extended Reporting Period Endorsement will also amend the Other Insurance condition so that the insurance provided will be excess over any other and collectible insurance available to the Insured whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the endorsement takes effect.

5. The premium for the Extended Policy Period Endorsement (Section 4b above) will not exceed 200% of the annual premium for this policy and will be fully earned when the endorsement takes effect.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF

POLICY NO. 357-43-44

ISSUED TO. INTEGRATED HEALTH SERVICES OF LESTER

BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

AMENDED INSURING AGREEMENT AND RETROSPECTIVE DATE
(CLAIMS MADE ONLY)

The first paragraph of the insuring agreements Coverage is amended as follows:

We will pay on behalf of the insured those sums in excess of the Retained Limit that the Insured becomes legally Obligated to pay by reason of liability imposed by law because of injury to which this insurance applies. The Injury must be caused by a "medical incident" that takes place after the Retrospective Date, but before the expiration Date on the policy, and for which a claim is first made during our policy period.

Medical incident shall mean that definition found in the underlying policy.

ENTITY

RETRO DATE

Integrated Health Services of Lester

1/1/99

This policy does not apply to any claim for injury arising from a "medical incident";

1. That was first made to any insurer prior to the effective date of acquisition;
2. That is made against this policy because of the limits of liability under any previous policy, whether issued by us or any other insurer, are insufficient or have been exhausted due to the payment of claims arising from a "medical incident";
3. That is made against this policy because of the insolvency or bankruptcy of any insurer;
4. That was known by or reported to, prior to the effective date of the acquisition, any "Insured", prior insurer or its agents and that arose from a "medical incident" that occurred subsequent to the retroactive date of our policy.
5. That is covered by any other insurance, including any coverage afforded by any "extended reporting period" provisions; or
6. For which any other insurance does not apply because the amount of the claim is solely within a deductible or self-insured retention.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M.01/01/99 FORMS A PART OF
POLICY NO: 357-43-44 ISSUED TO: INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

LIMITS OF LIABILITY

It is understood and agreed the inclusion of claims made coverage to this policy shall not
act to increase the limits of liability stated on the policy declarations page.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO: 357-43-44 ISSUED TO: INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

EMPLOYER'S LIABILITY EXCLUSION

THIS INSURANCE DOES NOT APPLY TO BODILY INJURY TO ANY EMPLOYEE OF THE INSURED ARISING OUT OF AND IN THE
COURSE OF THE EMPLOYEE'S EMPLOYMENT BY THE INSURED.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

62279 (03/95)

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF

POLICY NO: 3574344 ISSUED TO: INTEGRATED HEALTH SERVICES OF LESTER

BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

AUTOMOBILE LIABILITY EXCLUSION

This insurance does not apply to Bodily Injury or Property Damage arising out of the ownership, maintenance, operation, use, loading or unloading of any auto.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

22302A.D00

AUTHORIZED REPRESENTATIVE

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/99 FORMS A PART OF
POLICY NO. 357-4344 ISSUED TO: INTEGRATED HEALTH SERVICES OF LESTER
BY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

AMENDATORY ENDORSEMENT

It is hereby understood and agreed that this policy shall not respond to any insureds, named insureds or additional insureds covered under policy number BE 357-43-43 for Integrated Health Services Inc.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #16

This endorsement, effective 12:01 A.M., January 1, 1999 forms a part of
policy number 357 43 44
issued to INTEGRATED HEALTH SERVICES INC
By: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

It is agreed that the Professional Liability Follow Form Endorsement 62662 (5/95) shall be declared null and void and replaced with the following:

FOLLOW-FORM ENDORSEMENT

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of:

Professional Health Care Liability

However, if insurance for such Bodily Injury, Property Damage, Personal Injury or Advertising Injury is provided by a policy listed in the Schedule of Underlying Insurance.

1. This exclusion shall not apply; and
2. The insurance provided by our policy will not be broader than the insurance coverage provided by the policy listed in the Schedule of Underlying Insurance.

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #17

This endorsement, effective 12:01 A.M., January 1, 1999 forms a part of
policy number 357 43 44
issued to INTEGRATED HEALTH SERVICES INC
By: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Item #3-Limits of Insurance

It is agreed that Item 3, Limits of Liability shown on the Declaration Page shall be amended to in part to read as follows:

Item 3. Limits of Insurance

- | | | |
|----|-------------|---|
| A. | \$2,000,000 | Each Occurrence |
| B. | \$2,000,000 | General Aggregate (in accordance with Section III, Limits of Insurance) |
| C. | \$2,000,000 | Products-Completed Operations Aggregate (in accordance With Section |
| D. | \$25,000 | Self Insured Retention |

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #18

This endorsement, effective 12:01 A.M., January 1, 1999 forms a part of

policy number 357 43 44

issued to INTEGRATED HEALTH SERVICES INC

By: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

It is hereby agreed that the following endorsements are deleted from the policy:

- Extended Reporting Period Option
- Amended Insuring Agreement and Retrospective Date
- Limits of Liability Endorsement

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #19

This endorsement, effective 12:01 A.M., January 1, 1999 forms a part of
policy number 357 43 44
issued to INTEGRATED HEALTH SERVICES INC
By: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

DEFENSE IN LIMIT ENDORSEMENT

In Section II, Defense, the last paragraph in provision B, is hereby deleted in its entirety and replaced by the following:

All expenses we incur in the defense of any suit or claim are included within our Limits of Insurance.

Provision C of Section II, Defense, is hereby deleted in its entirety and replaced by the following:

- C. In all other instances excerpt A. above, we will not be obligated to assume charge of the investigation, settlement or defense of any claim made, suit brought or proceeding instituted against the Insured. We will, however, have the right and shall be given the opportunity to participate in the defense and trial of any claims, suits, or proceedings relative to any Occurrence which, in our opinion, may create liability on our part under the terms of this policy. If we exercise such right, any expenses we incur in the defense of any suit or claim are included within our Limits of Insurance.

All other terms and conditions of this policy remain unchanged.

AUTHORIZED REPRESENTATIVE